



Why Aurora Cannabis Inc (TSX:ACB) Soared 24% Last Week

Description

Aurora Cannabis ([TSX:ACB](#))(NYSE:ACB) had a pretty good week last week. The cannabis stock was up nearly 25% over just five trading days, as it finished the week at a little under \$13 and was the highest it had closed since back in October. Year to date, Aurora has now climbed around 90%, as investors are getting excited about the stock once again.

What's behind the rally?

If we're looking at the longer rally that started back in January, it's part of a much bigger market recovery where the TSX has seen investors come back on board after seeing lots of selling to close out 2018. We've seen it across many sectors, and it hasn't been limited to just Aurora or marijuana stocks, as investors noticed the [deals](#) that were left after the end of the year.

Most recently, however, last week's rally was due to a stock-specific event. Aurora announced that it had brought in a big name to help with the company's long-term plans and strategy: Nelson Peltz. Peltz is a successful investor and businessman who has been involved with many big companies, serving on the boards of some big names.

It's a great move for Aurora, as it plans to use his knowledge and expertise to help guide the company in the role of a strategic advisor. It may seem like an odd reason for the stock to climb, given that we see all sorts of high-profile names join as advisors for other companies without the same type of impact. However, from reading the company's release, there might be something much bigger in the works.

In addition to helping with the company's expansion around the globe, Aurora stated in its release, "Mr. Peltz and Aurora will work collaboratively and strategically to explore potential partnerships that would be the optimal strategic fit for successful entry into each of Aurora's contemplated market segments." This seems to be the big value that Peltz offers — the ability to help broker some big deals, especially with all of his connections.

Despite being busy with acquisitions over the past few years, Aurora still has many opportunities to

grow its brand with the help of a company in another industry, especially with the legalization of edibles looming. The company was [rumoured](#) to be in talks with **Coca-Cola** last year but nothing ultimately came of that, and it would seem like a big misstep for the company if it weren't looking for a way to better position itself in what's sure to be a hot, new segment for this young industry.

Bottom line

There's no guarantee that a big deal will come as a result of Aurora bringing Peltz aboard, but it's hard to imagine that the company isn't expecting big things given that it gave him options to purchase nearly 20 million shares. It signifies management's seriousness in looking to make some even bigger moves in the near future, and so it's easy to see why investors have gotten a little excited recently. Whether that turns out to be the case, however, remains to be seen.

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